

Statement of Congressman Ron Kind
H.R 975, Bankruptcy Abuse Prevention and Consumer Protection Act
of 2003
March 19, 2003

Mr. Speaker, I rise today in support of this legislation because the current system needs reform to protect those people truly in need of debt relief, while holding accountable those that can repay their debt.

Bankruptcy filings have risen steadily in recent years - growing by nearly 140% during the past four years alone. The costs associated with discharging bankruptcy related debt, calculated at over \$40 billion in 2001, hurt all consumers through increased prices on goods and services. In fact, costs associated with bankruptcies alone cost the average American family around \$400 per year.

In addition, this legislation will create new disclosure requirements for lending institutions to provide better information to consumers about credit cards and debt. This is particularly important for young adults that are bombarded by credit applications and have limited knowledge about the risks that accompany credit card ownership.

Further, it will move child support and alimony payments up to the top of debt repayment priority list. This will help prevent children from being unnecessarily hurt by the debt of their parents. The National Child Support Enforcement Associate, the National District Attorneys Association and the Child Support Council all support this provision and this legislation.

The Bankruptcy Abuse Prevention and Consumer Protection Act will benefit consumers and provide all American with better access to credit. It helps prevent abuse of the system while providing debt protection to those who truly need it. I urge my colleagues to support this legislation.